

Message Text

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PAGE 01 HONG K 01128 301222Z

62

ACTION XMB-04

INFO OCT-01 EA-09 ISO-00 EB-07 COME-00 CIAE-00 INR-07

NSAE-00 TRSE-00 OMB-01 AID-05 /034 W

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R 300110Z JAN 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 8934

INFO AMEMBASSY SINGAPORE

UNCLAS HONG KONG 1128

DEPT PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, HK

SUBJECT: MTR: EXIMBANK FINANCING

1. DURING THE COURSE OF A RECENT DISCUSSION WITH CONGENOFFS ON FINANCING ASPECTS OF THE MTR SUBWAY PROJECT, JOHN TRUEMAN, TREASURER OF THE MASS TRANSIT RULWAY CORPORATION, ELABORATED ON A JAN 16 TELEX MESSAGE HE HAD SENT TO EXIMBANK (DOUG SMITH). TRUEMAN SAID MTRC WAS EVALUATING BIDS, INCLUDING SEVERAL FROM AMERICAN COMPANIES FOR ELECTRICAL EQUIPMENT AND ROLLING STOCK. HE SAID THE EVALUATION WILL TAKE INTO ACCOUNT THE TERMS OF THE EXPORT FINANCING APPLYING TO EACH BID. IN THIS RESPECT, MTRC HAD ASKED AND RECEIVED FROM COUNTRIES WITH A HIGH RATE OF INFLATION, SUCH AS THE U.K. AND JAPAN, A COMMITMENT TO FINANCE AT THE SAME TERMS THE COST INCREASES ARISING OUT OF THE ORIGINAL CONTRACT. FOR GERMAN BIDDERS, THEY WERE NOT AS CONCERNED, GIVEN THE LOW RATE OF INFLATION IN GERMANY IN RECENT YEARS. TRUEMAN SAID THE U.S. WAS ASKING EXIMBANK TO COMMIT ITSELF TO FINANCING THE PRICE VARIATION AND EXTRAS ARISING OUT OF THE ORIGINAL COMMITMENT FOR THE SAME TERM, BUT NOT NECESSARILY THE SAME INTEREST RATE, AS THE CURRENT PRELIMINARY COMMITMENT. TRUEMAN STRESSED THAT A POSITIVE RESPONSE TO THIS REQUEST COULD BE AN IMPORTANT FACTOR IN CHOSING SUPPLIERS. GIVEN THE STIFF COMPETITION INVOLVED IN THE BIDDING, WE HOPE EXIMBANK WILL

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BE AS FORTHCOMING AS POSSIBLE.

CROSS

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAILROADS, PROPOSALS (BID), BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JAN 1976
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976HONGK01128
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760036-0796
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976016/aaaaaegh.tel
Line Count: 62
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hattaycs
Review Comment: n/a
Review Content Flags:
Review Date: 06 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 JUL 2004 by schwenja>; APPROVED <21 JUL 2004 by hattaycs>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MTR: EXIMBANK FINANCING
TAGS: EFIN, HK, MTRC, MASS TRANSIT RULWAY CORPORATION, XMB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006